

Finding and Qualifying Foreign Business Partners

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Topics

- Revisiting Market Selection
- Getting Resources in Place
- Determine Industry Structure
- Select Channel(s)
- Know Types of Partner: Agent, Distributor...
- Qualify Potential Partners
- Structure the Partnership

Market Selection Revisited



EXPORT 101

What Next?

- Remember the Three Big Lessons for Today
 - Small businesses export successfully.
 - There are resources to help.
 - We all work together; no door is wrong.
- Review Your Fundamentals & Build In-House Expertise
 - Management Commitment
 - Foreign Language Capability
 - Communication Structures
- Industry, Channel, Partner: How are they related?

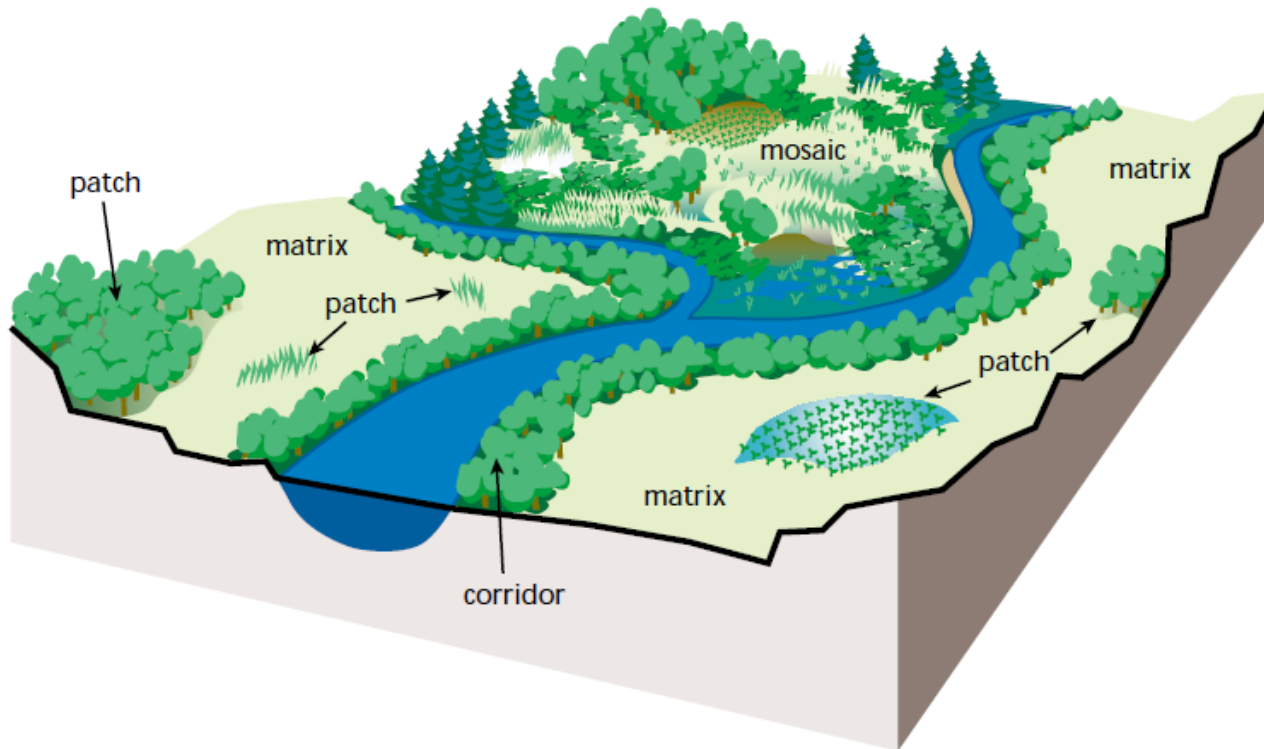


Success Story #1: Building In-House Expertise

- Spokane Co. produces diesel equipment
- Hired Local Community College Student
- Former Student Now Manager of Multi-Country Region



Industry Structure



This is the landscape your business moves in.

Determine Industry Structure

Industry structure is the landscape in which you choose your channel.

- Determining Industry Structure
 - Desk Research
 - Business Press
 - Trade Press
 - Interviews
 - Trade Association Heads
 - Reps at Trade Shows

Channel Selection



This is the road you travel along.

Select Channel(s)

Your channel is your route-to-market

- Determining Channel Structure
 - Online / “minimal touch”
 - Wholesale / Inside Sales
 - Retail
 - Direct
- Reasons for Choosing a Channel
 - Cost
 - Familiarity

Success Story #2: Channel Selection

- Bellevue company produces wood-fired boiler.
- ID'd UK as best market. How to enter?
- Chose a partner that can provide a variety of services:
 - Certification
 - Installation
 - After-Sales Service

Select & Qualify Partners



They are your guides and traveling companions.

Types of Partner

Your business partner is your travel companion. Consider their capabilities.

- Indirect Exporting
 - Export Management Companies
 - “Piggyback” exporting
- Direct Export
 - Agent/Broker
 - Distributor/Representative
 - Licensee
- JV / In-country mfg.

Finding and Qualifying Potential Partners (I)

- Identifying Prospects
 - Trade Leads
 - Industry resources
 - Export.gov
 - Trade Shows
 - Trade Missions
- Business Matchmaking
 - Trade Shows
 - IPS, GKMS
- Due Diligence
 - ICP
 - Credit Reports

Success Story #3

Qualifying Potential Partners



- B & G Machine remanufactures large-bore diesel engines, primarily for the worldwide mining industry.
- Founded in 1952, \$18M in annual revenue, with 19% from exports, mainly Canada, Germany and South America.
- B & G was looking for markets outside the US and chose Germany as a target.
- Joined the WA delegation to Hannover Messe in Germany in April 2012 and 2013
- Commerce provided support with organized B2B meetings
- **OUTCOME:** \$580K in new business with a German manufacturer.

Structuring the Partnership

- Exclusive or Not?
- The Contract
 - Performance Language
 - Protecting Your IP
 - Shared Interests
 - IP Protection Language in Distribution Contract

Your Friendly State Trade Pros

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